

Monthly Real Estate Statistical Update

Up-to-date data on crucial California real estate trends from **first tuesday**
 September 2016 • Vol. 5 • Issue 9 • **Jobs and demographics to push sales volume higher**

Presented by

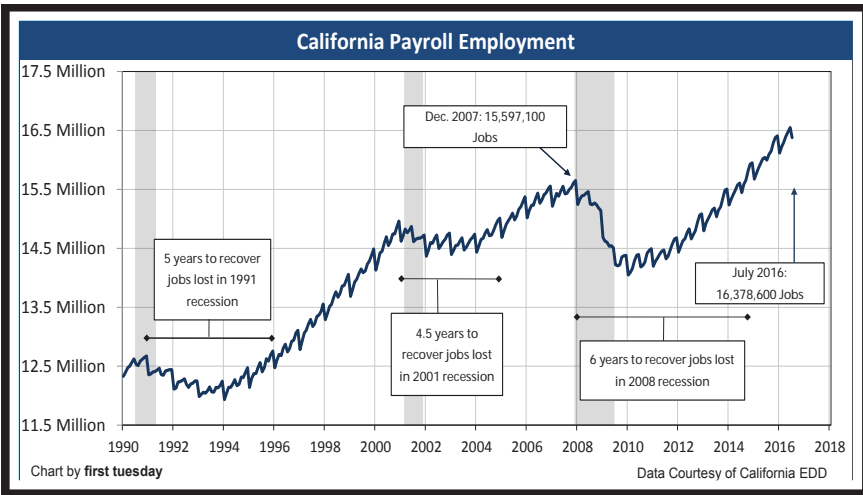
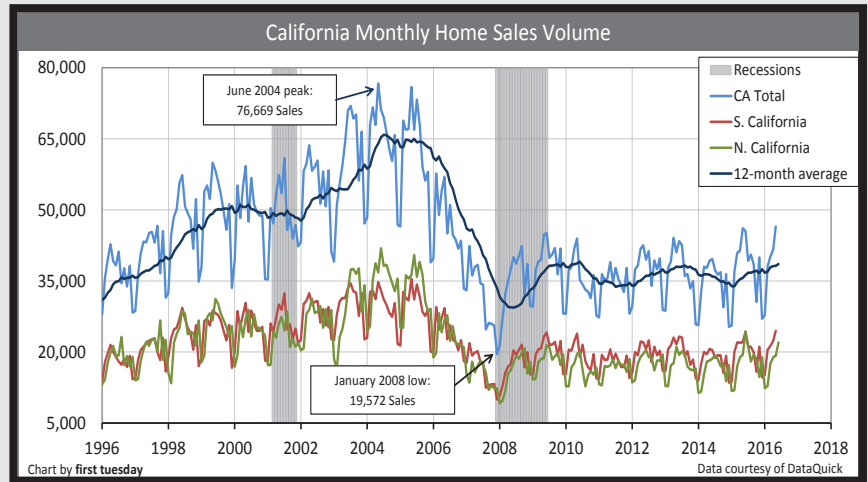
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California home sales volume flat, for now

This chart shows the number of **home resales** that occur each month in California. The blue line is the statewide sales total, while the red line represents Southern California and the green line Northern California home sales.

46,500 homes sold in California during June 2016, roughly the same as a year earlier. The total homes sold **year-to-date** is 2% higher than 2015. But this percentage decreased in recent months. As a trend, it is likely to end 2016 level with or just below 2015.

High home prices seen today and a growing aversion to debt are the **main deterrents** to a rising sales volume. But job increases and demographic shifts on the horizon are factors promising to increase sales volume by the end of this decade.



Jobs steadily increase

This chart displays the number of residents employed in California.

16.56 million individuals were employed in June 2016, a stunning increase of 518,000 jobs or 3.2% from a year earlier. It has taken California longer to recover from the **2008 recession** compared to other recent recessions, one factor in California's continued low home sales volume.

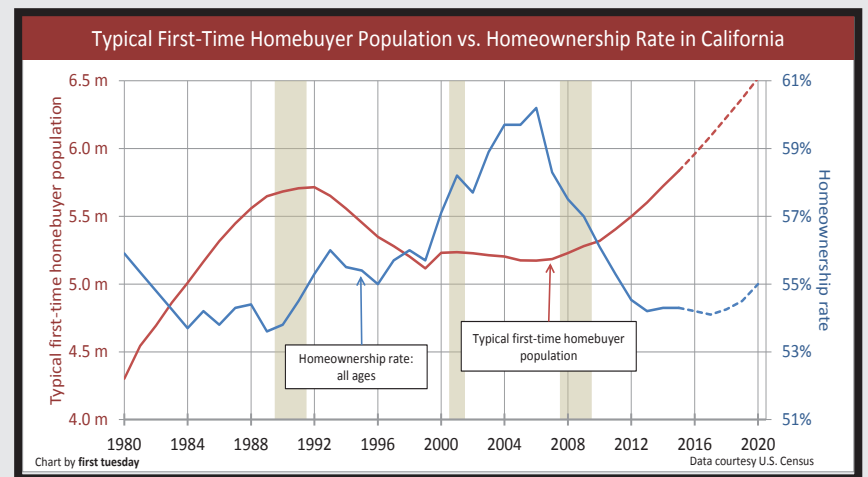
However, all jobs lost to the 2008 recession were recovered by mid-2014. Now we are rapidly approaching the number needed to make up for the interim **population growth**. Expect the full jobs recovery to arrive by 2019, which will propel sales volume to its next peak.

First-time homebuyers wait for another day

This chart shows the number of 25-34 years-olds — the historical age of **first-time homebuyers** — in California (the red line). It also shows California's average **homeownership rate** (the blue line).

Over 5.8 million potential first-time homebuyers resided in California at the end of 2015. This group continues to increase at a rapid pace of about 2% per year. However, **California's homeownership rate** lingers at a decades' low. 54.3% owned the home they live in at the end of 2015, and this has decreased further to 53.4% as of mid-2016.

Today's typical first-time homebuyer population is busy building up **savings**, gained through their (late) entrance into the jobs market following the 2008 recession. Once they have held a job for a sufficient number of years and realized wage increases, their combined hefty population will help push home sales to their next boom, anticipated around 2019-2021.



Click on any chart for more information!